this section in full in any contract in an amount in excess of $100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by § 5.5(a) or § 4.6 of part 4 of this title. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.

* * * * *

§ 5.15 [Amended]

5. In § 5.15, paragraph (b) is proposed to be amended by removing paragraphs (b)(1) and (2), and by redesignating paragraphs (b)(3), (4), and (5) as paragraphs (b)(1), (2), and (3), respectively.

Title 41—Public Contracting and Property Management

CHAPTER 50—PUBLIC CONTRACTS, DEPARTMENT OF LABOR

PART 50–201—GENERAL REGULATIONS

6. The authority citation for part 50–201 continues to read as follows:

Authority: Sec. 4, 49 Stat. 2038; 41 U.S.C. 38. Interpret or apply sec. 6, 49 Stat. 2038, as amended; 41 U.S.C. 40.

7. Sections 50–201.1 and 50–201.2 are proposed to be redesignated as §§ 50.201.3 and 50–201.4, respectively, and paragraph (a) of the clause in § 50–201.3, as newly redesignated, is proposed to be removed, and paragraphs (b) through (j) are proposed to be redesignated as paragraphs (a) through (i), respectively, and the title of the clause is proposed to be amended to read as follows:

REPRESENTATIONS AND STIPULATIONS PURSUANT TO PUBLIC LAW 846, 74TH CONGRESS, AS AMENDED

§ 50–201.101 [Removed]

§ 50–201.102 through 50–201.106 [Redesignated as §§ 50–201.101 through 50–201.105]

8. Section 50–201.101 is proposed to be removed, and §§ 50–201.102 through 50–201.106 are proposed to be redesignated as §§ 50–201.101 through 50–201.105, respectively.

§ 50–201.604 [Removed]

9. Section 50–201.604 is proposed to be removed.

PART 50–206—THE WALSH-HEALEY PUBLIC CONTRACTS ACT INTERPRETATIONS

10. The authority citation for part 50–206 continues to read as follows:

Authority: Sec. 4, 49 Stat. 2038, 41 U.S.C. 38, Secretary of Labor's Order No. 16–75, 40 FR 55913, and Employment Standards Order 2–76, 41 FR 9016.

§§ 50–206.1 and 50–206.2 [Redesignated as 50–201.1 and 50–201.2]

§§ 50–206.3 and 50–206.50 through 50–206.56 [Removed]

11. In part 50–206, §§ 50–206.1 and 50–206.2 are proposed to be redesignated as §§ 50–201.1 and 50.201.2 in part 50–201, respectively, and the remainder of part 50–206 is proposed to be removed.

[FR Doc. 95–22139 Filed 9–6–95; 8:45 am]

BILLING CODE 4510–27–M

DEPARTMENT OF THE INTERIOR

Minerals Management Service

30 CFR Chapter II

Meetings of the Indian Gas Valuation Negotiated Rulemaking Committee

AGENCY: Minerals Management Service, Interior.

ACTION: Notice of meetings.

SUMMARY: The Secretary of the Department of the Interior (Department) has established an Indian Gas Valuation Negotiated Rulemaking Committee (Committee) to develop specific recommendations with respect to Indian gas valuation under its responsibilities imposed by the Federal Oil and Gas Royalty Management Act of 1982, 30 U.S.C. 1701 *et seq.* (FOGRMA). The Department has determined that the establishment of this Committee is in the public interest and will assist the Agency in performing its duties under FOGRMA.

This notice establishes meeting times and location for October and November 1995.

DATES: The Committee will have meetings on the dates and the times shown below:

Tuesday, October 17, 1995—9:30 a.m. to 5 p.m.
Wednesday, October 18, 1995—8 a.m. to 5 p.m.
Thursday, October 19, 1995—8 a.m. to 5 p.m.
Tuesday, November 7, 1995—9:30 a.m. to 5 p.m.
Wednesday, November 8, 1995—8 a.m. to 5 p.m.
Thursday, November 9, 1995—8 a.m. to 5 p.m.

ADDRESSES: These meetings will be held in the building 85 auditorium, Denver Federal Center, located at West 6th Avenue and Kipling Streets, Lakewood, Colorado.

Written statements may be submitted to Mr. Donald T. Sant, Deputy Associate Director for Valuation and Operations, Minerals Management Service, Royalty Management Program, P.O. Box 25165, MS–3100, Denver, CO 80225–0165.

FOR FURTHER INFORMATION CONTACT: Mr. Donald T. Sant, Deputy Associate Director for Valuation and Operations, Minerals Management Service, Royalty Management Program, P.O. Box 25165, MS–3100, Denver, Colorado, 80225–0165, telephone number (303) 231–3899, fax number (303) 231–3194.

SUPPLEMENTARY INFORMATION: The location and dates of future meetings will be published in the **Federal Register**. The meetings will be open to the public without advanced registration. Public attendance may be limited to the space available. Members of the public may make statements during the meeting, to the extent time permits, and file written statements with the Committee for its consideration.

Written statements should be submitted to the address listed above. Minutes of Committee meetings will be available for public inspection and copying 10 days after each meeting at the same address. In addition, the materials received to date during the input sessions are available for inspection and copying at the same address.

Dated: August 31, 1995.

James W. Shaw,

Associate Director for Royalty Management.

[FR Doc. 95–22204 Filed 9–6–95; 8:45 am]

BILLING CODE 4310–MR–P

DEPARTMENT OF THE TREASURY

31 CFR Part 103

RIN 1506–AA13

Proposed Amendment to the Bank Secrecy Act Regulations—Requirement to Report Suspicious Transactions

AGENCY: Financial Crimes Enforcement Network, Treasury.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Financial Crimes Enforcement Network (''FinCEN'') is proposing rules for the centralized filing with it of reports of suspicious transactions under the Bank Secrecy Act. The proposal is a key to the creation of a new method for the reporting, on a uniform ''Suspicious Activity Report,'' of suspicious

transactions and known or suspected criminal violations by depository institutions; related rules have been or will be issued by the five federal financial supervisory agencies that examine and regulate the safety and soundness of depository institutions. The new centralized reporting system will eliminate the need for burdensome filing of multiple copies of reports with various federal regulatory and law enforcement agencies and will ensure more effective use of the information reported to such agencies.

DATES: Written comments on all aspects of the proposal are welcome and must be received on or before October 10, 1995.

ADDRESSES: Written comments should be submitted to: Office of Regulatory Policy and Enforcement, Financial Crimes Enforcement Network, Department of the Treasury, 2070 Chain Bridge Road, Vienna, Virginia 22182, *Attention:* NPRM—Suspicious Transaction Reporting.

Submission of Comments: An original and four copies of any comment must be submitted. All comments will be available for public inspection and copying, and no material in any such comments, including the name of any person submitting comments, will be recognized as confidential. Accordingly, material not intended to be disclosed to the public should not be submitted.

Inspection of Comments: Comments may be inspected at the Department of the Treasury between 10:00 a.m. and 4:00 p.m., in the Treasury Library, which is located in room 5030, 1500 Pennsylvania Avenue, N.W., Washington, D.C. 20220. Persons wishing to inspect the comments submitted should request an appointment at the Treasury Library by telephoning (202) 622–0990.

FOR FURTHER INFORMATION CONTACT: Charles Klingman, Office of Financial Institutions Policy, FinCEN, at (703) 905–3920, or Joseph M. Myers, Attorney-Advisor, Office of Legal Counsel, FinCEN, at (703) 905–3590.

SUPPLEMENTARY INFORMATION:

I. Introduction

This document proposes to add a new section 103.21 to 31 CFR Part 103 to require banks and other depository institutions [1] to report to the Department of the Treasury any suspicious transaction relevant to a possible violation of law or regulation. The amendments are proposed by FinCEN, to implement the authority granted to the Secretary of the Treasury by 31 U.S.C. 5318(g), in coordination with the Office of the Comptroller of the Currency (the ''OCC''), the Board of Governors of the Federal Reserve System (the ''Board''), the Federal Deposit Insurance Corporation (the ''FDIC''), the Office of Thrift Supervision (the ''OTS''), and the National Credit Union Administration (the ''NCUA'').

The proposed regulation creates a single coordinated process for the reporting of suspicious transactions under the Bank Secrecy Act and known or suspected criminal violations involving such institutions under the regulations of the regulatory agencies. The new process represents a fundamental change in the manner in which potential violations and suspicious activities are reported by banks and other depository institutions to the federal government.

II. Background

A. Statutory Provisions

The Bank Secrecy Act, Pub. L. 91–508, as amended, codified at 12 U.S.C. 1829b, 12 U.S.C. 1951–1959, and 31 U.S.C. 5311–5330, authorizes the Secretary of the Treasury, *inter alia*, to issue regulations requiring financial institutions to keep records and file reports that are determined to have a high degree of usefulness in criminal, tax, and regulatory matters, and to implement counter-money laundering programs and compliance procedures. Regulations implementing Title II of the Bank Secrecy Act (codified at 31 U.S.C. 5311–5330), appear at 31 CFR Part 103. The authority of the Secretary to administer the Bank Secrecy Act has been delegated to the Director of FinCEN.

The authority to require reporting of suspicious transactions was added to the Bank Secrecy Act by section 1517 of the Annunzio-Wylie Anti-Money Laundering Act (''Annunzio-Wylie''), Title XV of the Housing and Community Development Act of 1992, Pub. L. 102–550; it was expanded by section 403 of the Money Laundering Suppression Act of 1994 (the ''Money Laundering Suppression Act''), Title IV of the Riegle Community Development and Regulatory Improvement Act of 1994, Pub. L. 103–325, to require designation of a single government recipient for reports of suspicious transactions.

The provisions of 31 U.S.C. 5318(g) deal with the reporting of suspicious transactions by financial institutions subject to the Bank Secrecy Act and the protection from liability to customers of persons who make such reports. Subsection (g)(1) states generally:

> The Secretary may require any financial institution, and any director, officer, employee, or agent of any financial institution to report any suspicious transaction relevant to a possible violation of law or regulation.

Subsection (g)(2) provides further:

> A financial institution, and a director, officer, employee, or agent of any financial institution, who voluntarily reports a suspicious transaction, or that reports a suspicious transaction pursuant to this section or any other authority, may not notify any person involved in the transaction that the transaction has been reported.

Subsection (g)(3) provides that neither a financial institution, nor any director, officer, employee, or agent

> That makes a disclosure of any possible violation of law or regulation or a disclosure pursuant to this subsection or any other authority . . . shall . . . be liable to any person under any law or regulation of the United States or any constitution, law, or regulation of any State or political subdivision thereof, for such disclosure or for any failure to notify the person involved in the transaction or any other person of such disclosure.

Finally, subsection (g)(4) requires the Secretary of the Treasury, ''to the extent practicable and appropriate,'' to designate ''a single officer or agency of the United States to whom such reports shall be made.'' This designation is not to preclude the authority of supervisory agencies to require financial institutions to submit other reports to the same agency ''under any other applicable provision of law.'' 31 U.S.C. 5318(g)(4)(C). The designated agency is in turn responsible for referring any report of a suspicious transaction to ''any appropriate law enforcement agency.'' *Id*., at subsection (g)(4)(B).

B. Coordinated Process for Reporting Suspicious Transactions

At present, banks report transactions that indicate the existence of ''known or suspected violations of federal law'' by filing multiple copies of criminal referral forms with their respective primary federal financial regulator and with federal law enforcement agencies (including in most cases the Federal Bureau of Investigation, the United States Secret Service, and the Criminal Investigation Division of the Internal Revenue Service). The referral forms (each promulgated by a different regulator, under independent but parallel authority) are not uniform, and the requirement for multiple filings imposes a considerable administrative burden on filers. In the absence of a central repository, law enforcement and

[1] References to ''bank'' include not only commercial banks, but also thrift institutions, credit unions, and other types of depository institutions. See 31 CFR 103.11(b) (defining ''bank'' for purposes of 31 CFR Part 103).

regulatory agencies—receiving different forms from different filers in different regions of the country—struggle to analyze and correlate the filings and to coordinate investigations.

At the same time, banks (and other financial institutions) are required under the Bank Secrecy Act to file a Currency Transaction Report (or ''CTR'') to report transactions in currency of more than $10,000. The CTR form includes a box that can be checked to indicate that the currency transaction is ''suspicious.'' [2] The box on the CTR may also be used to report suspicious currency transactions in amounts less than $10,000. In practice, some financial institutions have also used the CTR form to report non-currency transactions that they believed to be ''suspicious'' but did not rise to the level of a known or suspected violation of law. Still other financial institutions reported such transactions by telephone to local offices of federal law enforcement or regulatory agencies. In many cases, financial institutions that were uncertain what to do naturally and commendably filed all possibly applicable reports.

As also discussed in proposed regulations issued in connection with the creation of the unified reporting system by the Office of the Comptroller of the Currency, 60 FR 34,476 (July 3, 1995), and the Board of Governors of the Federal Reserve System, 60 FR 34,481 (July 3, 1995), the current criminal referral system is cumbersome and burdensome, for both regulators and depository institutions. Moreover, it does not maximize the amount of usable information available to law enforcement officials and bank regulators. Therefore, beginning in 1991, the regulatory agencies began working on a project to improve the criminal referral process, with the goal of creating a single form and placing all referrals in an automated information system, managed on their behalf by FinCEN, to which all regulators and FinCEN would have access. The purpose of that project, begun under the auspices of the inter-agency Bank Fraud Working Group, was to assure that information generated by referrals of banking crimes would be uniformly available both as a basis for regulatory decisions and for analysis of the effectiveness of the reporting process and banking crime enforcement efforts.

A year later, Annunzio-Wylie vested broad suspicious transaction reporting authority in the Department of the Treasury. Soon thereafter, a ''Money Laundering Review Task Force,'' made up of enforcement and regulatory officials, was established in the Office of the then-Assistant Secretary (Enforcement) to examine the effectiveness of Treasury's anti-money laundering policies. The Task Force's analysis emphasized that identification and reporting of suspicious activity can and should be one of law enforcement's most effective tools against money laundering, so long as the reporting is not burdensome and reflects as much guidance about money laundering transactions and methods as government can provide. The work of the Task Force resulted in a consensus at Treasury that a reasoned implementation of Treasury's expanded suspicious transaction reporting authority (together with the accompanying ''know your customer'' rule) would increase the effectiveness of counter-money laundering efforts and permit significant reduction in mechanical currency transaction reporting requirements.

The single integrated system of which this proposed rule is a part thus reflects (i) the effect on the pre-existing criminal referral process of the statutory grant of central authority to Treasury, under the Bank Secrecy Act, to require reporting of all suspicious transactions (not merely transactions in currency or its equivalents) involving financial institutions, (ii) the mutual desire of Treasury and the financial regulators to simplify and reduce the burdensomeness of the reporting process, and (iii) the centrality of suspicious transaction reporting to Treasury counter-money laundering policy.

The central feature of the integrated reporting system is the creation of a single reporting form, filing point, and information system for all reports of suspicious activity made by depository institutions. The single form standardizes filing requirements and facilitates the creation of a single, automated data base containing information from all filings. The single filing point not only eliminates the need for multiple copies but also permits magnetic filing of reports by most institutions capable of and accustomed to making such filings with the Internal Revenue Service. (In a related development, as explained more fully below, the requirement that supporting documentation be filed with the report has been eliminated.) Finally, the single data base will permit rapid dissemination to appropriate law enforcement agencies of reports within their jurisdiction, more thorough analysis and tracking of those reports, and, in time, the provision to the financial communities of information about trends and patterns gleaned from the information reported.

Each agency involved has issued or shortly will issue a proposed rule requiring reporting under its respective authority. It is anticipated that those proposed rules will be conformed to one another in their final form and that they will be identical with Treasury's suspicious transaction reporting rules. Thus a financial institution will file a suspicious activity report in satisfaction of both the rules of FinCEN and the rules of the applicable banking regulator or regulators.

The selection of a single term—Suspicious Activity Report (''SAR'')—for the new report reflects the overlap and consolidation of the two reporting requirements. There will be a significant group of activities that are required to be reported both under the authority of 31 U.S.C. 5318(g) and under the financial regulatory agencies own administrative requirements. A single filing, however, will suffice to comply with all requirements.

C. Importance of Suspicious Transaction Reporting in Treasury's Anti-Money Laundering Program

The Congressional mandate to require reporting of suspicious transactions recognizes two basic points that have increasingly become central to Treasury's anti-money laundering and anti-financial crime programs. First, it is to financial institutions that money launderers must go. Second, the officials of those institutions are more likely than government officials to have a sense as to what transactions appear to lack commercial justification or otherwise cannot be explained as falling within the usual methods of legitimate commerce. Money laundering transactions are often designed to appear legitimate in order to avoid detection. Under these circumstances, the creation of a meaningful system for detection and prevention of money laundering is impossible without the cooperation of financial institutions.

The provisions of Annunzio-Wylie and the Money Laundering Suppression Act recognize that the traditional reliance of Treasury counter-money laundering programs on the reporting of currency transactions between financial institutions and their customers and the transportation of currency and certain monetary instruments into or out of the United States is neither adequate nor

[2] The revised and simplified CTR that goes into effect on October 1, 1995 eliminates the box in anticipation of the adoption of the Suspicious Activity Report for reporting of, *inter alia*, suspicious currency transactions. An advance copy of the revised CTR was issued by FinCEN in early May 1995. *See* ''FinCENnews'', May 10, 1995.

cost effective. The change in emphasis from routine reporting of all currency transactions above a certain amount to reporting of information most likely to be of use to law enforcement officials and financial regulators is a key component of the flexible and cost-efficient compliance system required to prevent the use of the nation's financial system for illegal purposes.

The placement of illegally-derived currency into the financial system and the smuggling of such currency out of the country remain two of the most serious issues facing financial law enforcement efforts in the United States and around the world. But banks and other depository institutions, in cooperation with law enforcement agencies and federal and state banking regulators, have responded in many positive ways to the challenges posed by money laundering. It is now far more difficult than in the past to pass large amounts of cash directly into the nation's banks unnoticed and far easier to identify and isolate those institutions and officials still willing to assist or ignore money launderers.

Moreover, the placement of currency into the financial system is at most only the first stage in the money laundering process. While many currency transactions are *not* indicative of money laundering or other violations of law, many non-currency transactions *can* indicate illicit activity, especially in light of the breadth of the statutes that make money laundering itself a crime. *See* 18 U.S.C. 1956 and 1957.

No system for the reporting of suspicious transactions can be effective unless information flows *from* as well as *to* the government. Thus, Treasury recognizes its responsibility to issue and update guidelines about patterns of suspicious activity.

The reporting of suspicious transactions is also a key to the emerging international consensus on the prevention of money laundering. One of the central recommendations in the Report of the Financial Action Task Force of the G–7 nations (the United States, The United Kingdom, Germany, France, Italy, Japan, and Canada) is that:

> If financial institutions suspect that funds stem from a criminal activity, they should be permitted or required to report promptly their suspicions to the competent authorities.

Financial Action Task Force Report (April 19, 1990), Section III(B)(3) (Recommendation 16). The European Community's *Directive on prevention of the use of the financial system for the purpose of money laundering* calls for member states to

> Ensure that credit and financial institutions and their directors and employees cooperate fully with the authorities responsible for combating money laundering . . . by [in part] informing those authorities, on their own initiative, of any fact which might be an indication of money laundering.

EC Directive, O.J. Eur. Comm. (No. L 166) 77 (1991), Article 6. *Accord, the Model Regulations Concerning Laundering Offenses Connected to Illicit Drug Trafficking and Related Offenses of the Organization of American States,* OEA/Ser. P. AG/Doc. 2916/92 rev. 1 (May 23, 1992), Article 13, section 2.[3]

D. Suspicious Transaction Reporting by Financial Institutions Other Than Banks

31 U.S.C. 5318(g) authorizes the Treasury to require the reporting of suspicious transactions by all financial institutions, and extends to financial institutions other than banks. FinCEN intends to extend the obligation to report suspicious transactions to such other institutions in the near future. However, this proposed rule applies only to reporting of suspicious transactions by banks and other depository institutions.

III. Specific Provisions

A. 103.11(qq) FinCEN

FinCEN is specifically defined for the first time in the Bank Secrecy Act regulations, because FinCEN is being designated by the Secretary of the Treasury as the central recipient of SARs filed pursuant to 31 U.S.C. 5318.

B. 103.11(r) Transaction

The definition of ''transaction in currency'' in the Bank Secrecy Act regulations has been changed to a definition of ''transaction.'' The definition conforms to the definitions in 18 U.S.C. 1956 used when Congress criminalized money laundering in 1986.[4] This definition of transaction is broad enough to cover all activity that will be reported on an SAR.

Treasury does not believe that the change varies the substance of the requirement to report currency transactions under 31 CFR 103.22, other than in the case of deposits of cash in safe deposit boxes, and the change is not intended to make any other modifications in that requirement. Treasury would be interested in comments concerning the safe deposit box issue and other instances in which financial institution personnel believe that application of the new definition, required for implementation of the suspicious transaction reporting rule, would unintentionally alter the separate currency transaction reporting requirement.

C. 103.20 Determination by the Secretary

Section 103.21 is redesignated as section 103.20 in order to make room in Subpart B, ''Reports Required To Be Made,'' for the suspicious transaction reporting requirement in this proposed rule.

D. 103.21 Reports of Suspicious Transactions

New section 103.21 contains the rules setting forth the obligation of banks to file reports of suspicious transactions. Paragraph (a) contains the general statement of the obligation to file, and a general definition of the term ''suspicious transaction.'' The obligation extends only to transactions conducted or attempted by, at, through, or otherwise involving, the bank; however, it is important to recognize that transactions are reportable under this rule and 31 U.S.C. 5318(g) whether or not they involve currency.

The proposed rule designates three classes of transactions as requiring reporting. The first class, described in proposed paragraph (a)(2)(i), includes transaction involving funds derived from illegal activity or intended or conducted in order to hide or disguise funds or assets derived from illegal activity. The second class, described in proposed paragraph (a)(2)(ii), involves transactions designed to evade the requirements of the Bank Secrecy Act. The third class, described in proposed paragraph (a)(2)(iii), involves transactions that appear to have no business purpose or vary so substantially from normal commercial activities or activities appropriate for the particular customer or class of customer as to have no reasonable explanation.

Of course, determinations as to whether a report is required must be based on all the facts and circumstances relating to the transaction and bank customer in question. Different fact patterns will require different types of judgments. In some cases, the facts of the transaction may clearly indicate the need to report. For example, continued payments or withdrawals of currency in amounts each beneath the currency transaction reporting threshold

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[3] The OAS reporting requirement is linked to the provision of the Model Regulations that institutions ''shall pay special attention to all complex, unusual or large transactions, whether completed or not, and to all unusual patterns of transactions, and to insignificant but periodic transactions, which have no apparent economic or lawful purpose.'' OAS Model Regulation, Article 13, section 1.

[4] *See* Pub. L. 99–570, Title XIII, 1352(a), 100 Stat. 3207–18 (Oct. 27, 1986).

applicable under 31 CFR 103.22, or multiple exchanges of small denominations of currency into large denominations of currency, can indicate that a customer is involved in suspicious activity. Similarly, the fact that a customer refuses to provide information necessary for the bank to make reports or keep records required by this Part or other regulations, provides information that a bank determines to be false, or seeks to change or cancel the transaction after such person is informed of reporting requirements relevant to the transaction or of the bank's intent to file reports with respect to the transaction, would all indicate that an SAR should be filed.

In other situations a more involved judgment may need to be made whether a transaction is suspicious within the meaning of the rule. Transactions that raise the need for such judgments may include, for example, (i) funds transfers, payments or withdrawals that are not commensurate with the stated business or other activity of the person conducting the transaction or on whose behalf the transaction is conducted; (ii) transmission or receipt of funds transfers without normal identifying information or in a manner that indicates an attempt to disguise or hide the country of origin or destination or the identity of the customer sending the funds or of the beneficiary to whom the funds are sent; or (iii) repeated use of an account as a temporary resting place for funds from multiple sources without a clear business purpose therefor. The judgments involved will also extent to whether the facts and circumstances and the institution's knowledge of its customer provide a reasonable explanation for the transaction that removes it from the suspicious category.

The means of commerce and the techniques of money launderers are continually evolving, and there is no way to provide an exhaustive list of suspicious transactions. For these reasons, Treasury ultimately must rely on creation of a working partnership that enables the financial community to apply its knowledge of both its customers and of the developments in financial commerce to identify and report suspicious activity. At the same time, Treasury intends to provide meaningful guidance to the banking community concerning the particular circumstances and types of behavior that Treasury believes indicate suspicious activity.

31 U.S.C. 5318(g)(1) authorizes Treasury to require suspicious transaction reporting not only by financial institutions but by ''any director, officer, employee, or agent of any financial institution.'' This proposed rule addresses reporting by banks, but it is not intended to reduce the obligations of bank employees or agents, within the context of a bank's reporting and Bank Secrecy Act compliance obligations, but simply to avoid at this time creating an obligation on the part of bank employees and agents independent of those general obligations. It is anticipated that a forthcoming notice of proposed rulemaking on anti-money laundering compliance programs will contain additional guidance on this matter.

Paragraph (b) sets forth the filing procedures to be followed by banks making reports of suspicious transactions. Reports are to be made within 30 days after the bank becomes aware of the suspicious transaction by completing an SAR and filing it in a central location, to be determined by FinCEN. Supporting documentation is to be collected and maintained separately by the bank, and made available to law enforcement, as necessary. Special provision is made for situations requiring immediate attention, in which case banks are to telephone the appropriate law enforcement authority in addition to filing an SAR. These filing procedures represent a significant improvement over the procedures currently followed by banks filing criminal referral forms. There is no requirement to file multiple copies of forms with multiple agencies, and no requirement to file supporting documentation with the SAR itself.

Paragraph (c) continues in effect the longstanding exception from the obligation to file in the case of a robbery or burglary that is otherwise reported to appropriate law enforcement authorities. Treasury and the financial regulators recognize that bank robbery and burglary require the immediate attention of the appropriate police authorities, and are not the types of crimes about which this regulation is directly concerned.

Paragraph (d) states the obligation of filing banks to maintain copies of SARs and the original related documentation for a period of ten years from the date of filing. As indicated above, supporting documentation is to be made available to FinCEN and appropriate law enforcement authorities on request.

Paragraph (e) incorporates the terms of 31 U.S.C. 5318 (g)(2) and (g)(3). This paragraph thus specifically prohibits those filing SARs from making any disclosure, except to authorized law enforcement and regulatory agencies, about either the reports themselves, the information contained therein, or the supporting documentation. This paragraph thus also restates the broad protection from liability for making reports of suspicious transactions, and for failures to disclose the fact of such reporting, contained in the statute. The regulatory provisions do not extend the scope of either the statutory prohibition or the statutory protection; however, because Treasury recognizes the importance of these statutory provisions to the overall effort to encourage meaningful reports of suspicious transactions, they are described in the regulation in order to remind compliance officers and others of their existence.

Finally, paragraph (f) notes that compliance with the obligation to report suspicious transactions will be audited, and provides that failure to comply with the rule shall constitute a violation of the Bank Secrecy Act and the Bank Secrecy Act regulations, which may subject non-complying banks to enforcement action. The paragraph also notes that compliance with the obligation to report suspicious transactions will have no direct bearing on a bank's potential exposure under the criminal provisions of Title 18 of the U.S. Code. The ''safe harbor'' provisions of 31 U.S.C. 5318(g) do not protect against criminal prosecutions.

IV. Comments

FinCEN invites public comment on all aspects of this proposal. FinCEN is particularly interested in, and specifically requests that financial institutions comment on, the following issues.

1. Consolidating information reported on the existing criminal referral form (CRF) with that reported on suspicious currency transaction reports was done to eliminate confusion and avoid duplicate reporting. Currently, in the absence of specific guidelines, each financial institution has developed internal and specific thresholds and procedures for reporting different types of activity on each form. In this proposed rule, Treasury has attempted to describe instances where, and circumstances in which, a financial institution would determine a transaction to be suspicious and file a report. However, no regulation could possibly cover all instances of potential suspicious activity. Conversely, a regulation should not be crafted so broadly as to provide no parameters or guidelines to follow. Treasury needs to know if the terms set forth in this proposed regulation are clear, specific, and sufficient as a basis for financial institutions to determine when activity is suspicious. If not, Treasury requests specific, detailed suggestions for

substitute language that should be considered.

2. In addition, over 100 predicate offenses may serve as the basis for a criminal money laundering charge under 18 U.S.C. 1956. The instructions for the SAR, as well as the proposed notices issued by the regulatory agencies, provide specific thresholds for reporting particular types of violations. Treasury is interested in the industry's position as to whether similar types of thresholds should be imposed for reporting Bank Secrecy Act and money laundering violations.

3. Finally, Treasury understands that, after filing a report on a particular customer, a financial institution may be confronted with a decision as to whether to terminate its relationship with that customer. Treasury believes that unless instructed by an authorized official, this is a decision which must be made by the financial institution. However, Treasury is interested in working with the industry to develop procedures which could help frame such decisions.

The comment period for this rule is 30 days. Although the comment period is shorter than that which would normally be employed, many of the terms reflected in this rule are also contained in the rules already proposed by the financial regulators. FinCEN will have access to those comments, and it is believed that on that basis the short comment period is justified, in light of the desire of the agencies involved to commence the operation of the less burdensome single form reporting system on October 1, 1995.

V. Regulatory Flexibility Act

FinCEN certifies that this proposed regulation will not have a significant financial impact on a substantial number of small depository institutions.

VI. Paperwork Reduction Act

The collection of information contained in this proposed rule has been submitted to the Office of Management and Budget (OMB) for review in accordance with the Paperwork Reduction Act of 1980 (44 U.S.C. 3504(h)). Comments on the collection of information should be sent to OMB, Paperwork Reduction Project, Washington, DC 20503, with copies to FinCEN, Office of Financial Institutions Policy, 2070 Chain Bridge Road, Suite 200, Vienna, Virginia 22182.

VII. Executive Order 12866

The Department of the Treasury has determined that this proposed rule is not a significant regulatory action under Executive Order 12866.

VIII. Unfunded Mandates Act of 1995 Statement

Section 202 of the Unfunded Mandates Reform Act of 1995, Pub. L. 104–4 (Unfunded Mandates Act), March 22, 1995, requires that an agency prepare a budgetary impact statement before promulgating a rule that includes a federal mandate that may result in expenditure by state, local and tribal governments, in the aggregate, or by the private sector, of $100 million or more in any one year. If a budgetary impact statement is required, section 202 of the Unfunded Mandates Act also requires an agency to identify and consider a reasonable number of regulatory alternatives before promulgating a rule. FinCEN has determined that it is not required to prepare a written statement under section 202 and has concluded that on balance this proposal provides the most cost-effective and least burdensome alternative to achieve the objectives of the rule.

List of Subjects in 31 CFR Part 103

Authority delegations (Government agencies), Banks and banking, Currency, Investigations, Law enforcement, Reporting and recordkeeping requirements.

Amendment

For the reasons set forth above in the preamble, 31 CFR Part 103 is proposed to be amended as set forth below:

PART 103—FINANCIAL RECORDKEEPING AND REPORTING OF CURRENCY AND FOREIGN TRANSACTIONS

1. The authority citation for Part 103 is revised to read as follows:

Authority: 12 U.S.C. 1829b and 1951–1959; 31 U.S.C. 5311–5330.

2. In § 103.11, paragraph (r) is revised and paragraph (qq) is added to read as follows:

§ 103.11 Meaning of terms.

* * * * *

(r) *Transaction.* Transaction means a purchase, sale, loan, pledge, gift, transfer, delivery or other disposition, and with respect to a financial institution includes a deposit, withdrawal, transfer between accounts, exchange of currency, loan, extension of credit, purchase or sale of any stock, bond, certificate of deposit, or other monetary instrument, use of a safe deposit box, or any other payment, transfer, or delivery by, through, or to a financial institution, by whatever means effected.

* * * * *

(qq) *FinCEN.* FinCEN means the Financial Crimes Enforcement Network, an office within the Office of the Under Secretary (Enforcement) of the Department of the Treasury.

3. Section 103.21 is redesignated as § 103.20.

4. New § 103.21 is added to read as follows:

§ 103.21 Reports of suspicious transactions.

(a) *General.* (1) Every bank shall file with the Treasury Department, as required by this § 103.21, a report of any suspicious transaction relevant to a possible violation of law or regulation.

(2) A transaction requires reporting under the terms of this section if it is conducted or attempted by, at, or through, or otherwise involves, the bank, and

(i) The bank knows, suspects, or has reason to suspect that the transaction involves funds derived from illegal activity or is intended or conducted in order to hide or disguise funds or assets derived from illegal activity (including, without limitation, the ownership, nature, source, location, or control of such funds or assets) as part of a plan to violate or evade any law or regulation or to avoid any transaction reporting requirement under federal law;

(ii) The bank knows, suspects, or has reason to suspect that the transaction is designed to evade any requirements of this Part or of any other regulations promulgated under the Bank Secrecy Act; or

(iii) The transaction or its details appear to have no business purpose, the transaction varies from the normal methods of financial commerce, or the transaction is not the sort in which the particular customer or class of customer would normally be expected to engage, and, in each case, the bank knows of no reasonable explanation for the transaction.

(b) *Filing procedures*—(1) *What to file.* A suspicious transaction shall be reported by completing, in accordance with the instructions, a Suspicious Activity Report (''SAR''), and collecting and maintaining supporting documentation related information, in accordance with this rule.

(2) *Where to file.* The SAR shall be filed in a central location, to be determined by FinCEN.

(3) *When to file.* A bank is required to file each SAR not later than 30 calendar days after the first date on which the bank becomes aware of the facts constituting the transaction to which the report relates. If no suspect is identified on the date of detection of the incident triggering the filing, a bank may delay

filing an SAR for an additional 30 calendar days, but in no case shall reporting be delayed more than 60 calendar days after the date of the transaction. In situations involving violations that require immediate attention, such as when a reportable violation is ongoing, the bank shall immediately notify by telephone the appropriate law enforcement authority in addition to filing an SAR.

(c) *Exception.* A bank is not required to file a suspicious transaction report for a robbery or burglary committed or attempted that is reported to appropriate law enforcement authorities.

(d) *Retention of records.* A bank shall maintain a copy of any SAR filed and the original of any related documentation for a period of ten years from the date of filing the SAR, unless the bank is informed by FinCEN in writing that the bank may discard the materials sooner. Supporting documentation shall be identified, segregated, and treated as filed with the SAR. A bank shall make all supporting documentation available to FinCEN and any appropriate law enforcement agencies upon request.

(e) *Confidentiality of reports; limitation of liability.* No financial institution, nor any director, officer, employee, or agent of any financial institution, who reports a suspicious transaction under this Part, may notify any person involved in the transaction that the transaction has been reported. Thus, any person subpoenaed or otherwise requested to disclose an SAR, the information contained in an SAR or any information contained in the documentation supporting an SAR, except where such disclosure is requested by a law enforcement agency, shall refuse to produce the SAR or such other information. *See* 31 U.S.C. 5318(g)(2). A bank, and any director, officer, employee, or agent of such bank, that make a report pursuant to this § 103.21 shall be protected from liability for any disclosure contained, for failure to disclosure the fact of such report, or both, to the extent provided by 31 U.S.C. section 5318(g)(3).

(f) *Compliance.* Compliance with these rules shall be audited by the Department of the Treasury or its delegees under the terms of the Bank Secrecy Act. Failure to satisfy the requirements of this rule shall be a violation of the reporting rules of the Bank Secrecy Act and of 31 CFR Part 103. Such failure may also violate provisions of Titles 12 and 15 of the Code of Federal Regulations. Whether or not a bank satisfies the requirements of this reporting rule has no direct bearing on the obligations or possible liabilities of such bank or its directors, officers, employees, or agents, under provisions of Title 18 of the United States Code.

Dated: August 30, 1995.

Stanley E. Morris,

Director, Financial Crimes Enforcement Network.

[FR Doc. 95–22223 Filed 9–6–95; 8:45 am]

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DEPARTMENT OF THE INTERIOR

National Park Service

36 CFR Part 7

Cape Cod National Seashore Off-Road Vehicle Use Negotiated Rulemaking Advisory Committee

AGENCY: National Park Service.

ACTION: Notice of meeting.

Notice is hereby given in accordance with the Federal Advisory Committee Act (5 U.S.C., Appendix), that a meeting of the Cape Cod National Seashore Off-Road Vehicle Use Negotiated Rulemaking Advisory Committee will be held on Thursday and Friday, September 14 and 15, 1995.

The Committee members will meet at 9 a.m. at the Sheraton Eastham, Route 6, Eastham, MA for the first of three, two-day meetings which will be held for the following reasons:

September 14, 1995—Thursday

1. Welcoming Remarks by National Park Service.
2. Discussion of Proposed Agenda.
3. Presentation by each member of their group's perspective.
4. Adoption of Organizational Protocols.
5. Public Participation Period.
6. Adjournment.

September 15, 1995—Friday

1. Data Presentation by NPS on Off-Road Vehicles.
2. Distribution of Proposed Draft Rule.
3. Review and Discussion of Draft Rule.
4. Public Participation Period.
5. Discussion of Agenda for Next Meeting.
6. Set Date for Third Set of two-day Sessions.
7. Adjournment.

The meeting is open to the public. It is expected that 75 persons will be able to attend the meeting in addition to the Committee members.

Due to an unintentional mis-routing of this notice while it was being processed within the National Park Service, the notice could not be published at least 15 days prior to the meeting dates. The National Park Service regrets this error, but is compelled to hold the meeting as scheduled because of the significant sacrifice re-scheduling would require of committee members who have adjusted their schedules to accommodate the proposed meeting dates, and the high level of anticipation by all parties who will be affected by the outcome of the committee's actions. Since the proposed meeting dates have received widespread publicity in area news media and among the parties most affected, the National Park Service believes that the public interest will not be adversely affected by the less-than-15-days advance notice in the **Federal Register**.

The Committee was established pursuant to the Negotiated Rulemaking Act of 1990 (5 U.S.C. 561–570). The purpose of the Committee is to advise the National Park Service with regard to proposed rulemaking governing off-road vehicle use at Cape Cod National Seashore.

Interested persons may make oral/written presentations to the Committee during the business meeting or file written statements. Such presentations may be made to the Committee during the Public Participation Period the day of the meeting, or in writing to the Park Superintendent at least seven days prior to the meeting. Further information concerning the meeting may be obtained from the Superintendent, Cape Cod National Seashore, South Wellfleet, MA 02663.

Bernard C. Fagan,

Acting Chief, Office of Policy, National Park Service.

[FR Doc. 95–22368 Filed 9–6–95; 8:45 am]

BILLING CODE 4310–70–P

FEDERAL COMMUNICATIONS COMMISSION

47 CFR Part 73

[MM Docket No. 95–142; RM–8685]

Radio Broadcasting Services; Zapata, TX

AGENCY: Federal Communications Commission.

ACTION: Proposed rule.

SUMMARY: The Commission requests comments on a petition by Arturo Lopez requesting the allotment of Channel 228A to Zapata, Texas. Channel 228A can be allotted to Zapata, Texas, in compliance with the Commission's minimum distance separation requirements without the imposition of a site restriction. The coordinates for Channel 228A at Zapata are 26–54–30 and 99–16–18. Mexican concurrence will be requested for this proposal.

DATES: Comments must be filed on or before October 23, 1995, and reply comments on or before November 7, 1995.